



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

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## *Memorandum*

TO: Administration Committee

DATE: July 2, 2008

FR: Executive Director

W.I.: 1152

RE: Contract Amendment – Third Party Contract Review and Consulting Services for FY 2008-09:  
KPMG LLP

### Background

The contract with KPMG LLP was approved by this Committee in April 2004 to perform audit and attestation service for MTC's third-party contracts through June 30, 2005. The contract included a provision permitting MTC the option to extend it for four consecutive year periods, ending June 30, 2009. This Committee has already approved three of these extensions. Staff recommends extending the contract for the fiscal year ending June 30, 2009, in the amount of \$430,000.

### Current Scope of Work

The scope of work for the proposed amendment includes follow-up work related to the internal control review of Information Technology (IT) and business processes at the TransLink® service bureau. In addition to this, there is contract compliance review and agreed upon procedures engagements.

### Recommendation

Staff recommends that the Committee authorize the Executive Director or his designated representative to negotiate and enter into a contract amendment in the amount of \$430,000 to conduct internal control management reviews of the TransLink® contractor, a general audit of the TransLink® program expenses, and other third party attestations. This contract amendment approval would be subject to review and acceptance by the MTC ad-hoc audit committee on July 9, 2008.

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Steve Heminger

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## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Consultant Contract Amendment

Work Item No.:	1152
Consultant:	KPMG LLP, San Francisco, CA
Work Project Title:	Third Party Contract Review and Consulting Services for FY 2008-09
Purpose of Project:	To conduct an internal control analysis of the TransLink® Center operated by Motorola/ERG, and other agreed upon procedures and review services
Brief Scope of Work:	To agreed upon procedures for the TransLink® center, including internal control review of Information Technology (IT) and business processes and other engagements as determined
Project Cost Not to Exceed:	\$430,000 (this amendment)
Funding Source:	\$45,000 General Fund, \$225,000 STA \$16,352 Xchange \$161,648 CMAQ (1692)
Fiscal Impact:	Subject to Approval in FY 2008-09 Operating Budget
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate enter into a contract amendment with KPMG LLP for the purposes described herein, and the Chief Financial Officer is directed to set aside funds in the amount of \$430,000 for such amendment.
Administration Committee:	<hr/> Tom Bates, Vice Chair
Approved:	Date: July 9, 2008